

Washington, DC – Rep. Linda Sánchez (D-CA) introduced legislation today, H.R. 5621, to improve the nation's ports and waterways by expanding the way ports can use federal money from the Harbor Maintenance Trust Fund.

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“The Harbor Maintenance Trust Fund Improvement Act will free up millions of dollars for harbor upkeep,” said Rep. Linda Sánchez. **“This is important to places like Long Beach and Los Angeles who are often unable to use funds they have collected because of restrictions on the law.”**

Federal taxes are collected to pay for maintenance dredging, yet only about half of what is collected is being spent for its intended purpose due to limitations on the way the money is appropriated. As a result, the fund has accumulated a large surplus. By passing Sánchez' Harbor Maintenance Trust Fund Improvement Act of 2010, ports will have more options to use this surplus of funds.

“Our nation's ports are a crucial component of our shipping system and a linchpin of our economy, allowing America to remain one of the world's largest trading nations,” continued Sánchez.

“This bill would strengthen our harbors' economic position and international competitiveness by expanding their ability to make use of Harbor Maintenance Trust Fund money.”

The Harbor Maintenance Trust Fund was authorized in the Water Resources Development Act of 1986. The purpose was to levy a tax on cargo imported or domestically moved through federally maintained channels and harbors, to pay for Army Corps of Engineers operations and maintenance of these ports and harbors. However, the monies can only be spent if the funding is actually appropriated by Congress.

A 2008 report by the U.S. Government Accountability Office found that while the fee - known formally as the Harbor Maintenance Tax - generates more than \$1.5 billion annually, approximately only \$900 million is being spent.